

FIS Panamax Intraday Morning Technical

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Panamax July 25 Morning Technical Comment – 240 Min



Support		Resistance		Current Price	Bull	Bear
S1	10,708	R1	10,968	10,950	RSI above 50	Stochastic overbought
S2	10,551	R2	11,279			
S3	10,224	R3	11,675			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8–21 period EMA's
- RSI is above 50 (65)
- Stochastic is overbought
- Price is above the daily pivot USD 10,708
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The move above the USD 10,435 level warned that the USD 10,750 fractal high could be tested and broken; however, the futures needed to hold above the intraday 200-period MA (USD 10,515), a close that held below the average would warn that sellers have entered the market. The technical is bullish, we noted that in theory, we should trade above the USD 10,750 fractal high. From a buying perspective, if we did trade to a new high, then we had a near-term upside target at USD 10,968; however, an upside breakout would create a negative divergence with the RSI, which needed to be monitored as it warned that buy-side momentum could slow down.
- The futures have traded to a high of USD 11,000. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 10,708 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 10,224 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. However, the new high yesterday means that we are in divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown. Technically, we have achieved our near-term upside target whilst in divergence, meaning we are now cautious on higher moves from here whilst the divergence is in play. If the divergence fails, it will warn that we could be looking at an Elliott wave extension. We highlight this, as we noted in the technical report yesterday that downside moves in the Q3 looked like they could be countertrend. A cautious bull.

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